

CITY OF SAN DIEGO, CALIFORNIA
COUNCIL POLICY

CURRENT

SUBJECT: COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

POLICY NO.: 700-02

EFFECTIVE DATE: December 16, 2016

BACKGROUND:

The federal Housing and Community Development Act of 1974 established the Community Development Block Grant (CDBG) Program. The enabling legislation has been reviewed and amended by Congress periodically since 1974. The purpose of the CDBG program is to provide an annual source of funds to local governments for the purpose of implementing activities to develop viable urban communities, including decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income. Federal administration of the CDBG program is the responsibility of the U.S. Department of Housing and Urban Development (HUD). The City of San Diego has participated in the CDBG program, as an entitlement jurisdiction, since the program's inception.

PURPOSE:

To establish the general guidelines by which the City will select and implement activities utilizing CDBG funds.

POLICY:

It is the policy of the City Council to allocate CDBG funds in accordance with the following standards.

1. Only activities that meet the specific eligibility requirements of the CDBG program, as set forth in the federal legislation enacting the CDBG program and associated regulations adopted by HUD, will be selected and implemented.
2. Funding will be allocated on a City fiscal year basis (July 1 through June 30).
3. Funding will be allocated as prioritized by the City Council in the City's then current approved 5-year Consolidated Plan.

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4. Funding for CDBG Program Administration, as defined by HUD regulations (which may include planning, administration, and fair housing), will be taken from the City's overall annual CDBG program budget prior to funding being made available to address other Consolidated Plan goals.
5. A portion of the CDBG Program Administration funds may be allocated for the purpose of proactive outreach to previously non-participating non-profit organizations to attempt to get these organizations to apply for future CDBG funding.
6. The minimum allocation of CDBG funds made to a public service, community economic development or other non-capital improvement project will be \$50,000.
7. The minimum allocation of CDBG funds made to a capital improvement project (either for non-profit facility improvements, non-profit housing rehabilitation projects or City neighborhood infrastructure projects) will be \$100,000, unless funding for a City neighborhood infrastructure project at a lesser amount is necessary to complete a project and the project will be completed and closed out within 24 months after the start of the City fiscal year for which the funds are allocated.
8. Priorities of the City's Capital Improvements Program will be determined irrespective of whether or not the City is to receive CDBG funds. CDBG funds, if received, are to be used to supplement the City's Capital Improvements Program and not as a substitute for other City funds.
9. No allocation of CDBG funds will be made to a project for which a CDBG application has not been received by the City.
10. A Community Based Development Organization (CBDO) certification process will be conducted in an effort to fund eligible project activities, as defined in the applicable HUD regulations.
11. All CDBG funds allocated to public service, community economic development or other non-capital improvement projects shall be expended within 12 months after the start of the City fiscal year for which the funds are allocated, or such funds will be subject to reprogramming in accordance with the then current 5-Year Consolidated Plan.

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12. All CDBG funds allocated to capital improvement projects (non-profit facility improvements or City neighborhood infrastructure projects) shall be expended within 24 months after the start of the City fiscal year for which the funds are allocated, or such funds will be subject to reprogramming in accordance with the then current 5-Year Consolidated Plan.
13. A non-profit facility improvement project awarded CDBG funds must be completed before a subsequent non-profit facility improvement application may be submitted for the same location in a subsequent fiscal year. (It is the intent of the City Council that this policy will ensure completion of non-profit facility improvements at a given location before an application is submitted for an additional non-profit facility improvement project at the same location.)
14. Improvements to real property using CDBG funds in the non-profit facility improvement and City neighborhood infrastructure categories shall benefit low/moderate income persons for a minimum of five (5) years from the date of project completion, or longer if required by HUD regulations. Real property restrictions or real property security for performance documents will be recorded on real property in the non-profit facility improvement category to secure the term of the low/moderate income benefit.
15. The public services category of activities shall be open to all eligible applicants, including City programs. Up to \$1,318,078 of the annual public service funds shall be set aside for the City's homeless programs, subject to change by Council Resolution.
16. A Consolidated Plan Advisory Board (CPAB) will review all applications for CDBG funding and will provide recommendations to the Council regarding funding allocations to applicants and other activities related to the Consolidated Plan.
17. All CDBG applicants shall, as a condition to consideration of their CDBG program funding application, attend a mandatory technical assistance workshop hosted by City staff during the annual CDBG application period.

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18. The CPAB shall annually review and approve a set of criteria to be used by the CPAB for scoring CDBG competitively-awarded funding applications, including, but not limited to, an evaluation of past performance and regulatory compliance (if applicable), how the proposed project will address areas of the City identified to have the highest levels of need, eligibility of proposed expenditures and budget, and the amount or percentage of leveraged funding contributed to the proposed project.
19. This Council Policy will be reviewed during the adoption process of each 5-Year Consolidated Plan.

HISTORY:

“Leasing of City-owned Property in Industrial Park”

Adopted by Resolution R-174133 1/10/1963

Repealed by Resolution R-208090 - 06/05/1973

“Community Development Block Grant Program (CDBG)”

Adopted by Resolution R-259072 - 08/15/1983

Amended by Resolution R-281638 - 03/22/1993

Amended by Resolution R-282395 - 07/26/1993

Amended by Resolution R-287559 - 06/25/1996

Amended by Resolution R-303367 - 02/11/2008

Amended by Resolution R-305413 - 11/24/2009

Amended by Resolution R-307328 - 03/28/2012

Amended by Resolution R-310812 – 12/16/2016